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PROJECT NO. 51840

RULEMAKING ESTABLISHING ELECTRIC WEATHERIZATION STANDARDS	**§ § §**	**PUBLIC UTILITY COMMISSION OF TEXAS**

COMMENTS OF TEXAS ELECTRIC COOPERATIVES, INC.

Texas Electric Cooperatives, Inc. (TEC) respectfully submits these comments in response to the Public Utility Commission of Texas (Commission) Proposal for Publication (PFP) as approved at the August 26, 2021 Commission Work Session. The PFP proposes new 16 Texas Administrative Code (TAC) § 25.55 to implement requirements regarding weather emergency preparedness measures for generation entities and transmission providers in the Electric Reliability Council of Texas (ERCOT) region, as mandated under newly enacted Public Utility Regulatory Act (PURA)[1] §§ 35.0021 and 38.075.

TEC is the statewide association of electric cooperatives operating in Texas, representing its members except as their interests may be separately represented.[2] As both generation entities and transmission providers, TEC's member systems are committed to improvements that increase resiliency during extreme cold weather. TEC generally supports the direction of the PFP and appreciates the efforts of the Commission and Staff in this rulemaking. In these comments, TEC provides a bulleted executive summary of comments, a detailed description of TEC redlines, and Attachment A showing TEC redlines to the PFP.

I. Bulleted Executive Summary of Comments

TEC's comments are summarized as follows:

- The rule should recognize the unique circumstances and design limitations of generation resources and transmission assets in the establishment of reliability

[1] Public Utility Regulatory Act, Tex. Util. Code Ann. §§ 11.001-66.016 (PURA).

[2] TEC's 75 members include distribution cooperatives that provide retail electric utility service to approximately 4,000,000 consumers in statutorily authorized service areas that encompass more than half of the total area of the state. TEC's G&T members generally acquire generation resources and power supply for their member distribution cooperatives and deliver electricity to them at wholesale.

standards and associated preparation measures. Accordingly, weatherization measures applicable to generation resources should not be overly specific or prescriptive, and the measures listed in the rule should be non-exhaustive.

- The rule should not mandate every conceivable preparation measure, but rather measures that are reasonable and appropriate for the particular generation resource or transmission asset. Similarly, the rule should better clarify which components are subject to new weatherization measures.
- PURA §§ 35.0021 and 38.075 direct the Commission to adopt a preparation standard, not a performance standard. The rule must recognize this distinction.
- To create consistency and transparency, the rule should direct ERCOT to adopt rules regarding ERCOT inspections for Phase I, and the Commission should consider and adopt rules detailing the parameters of ERCOT inspections for Phase II.
- Because information submitted to the Commission and ERCOT may be competitively sensitive or critical energy infrastructure information, the rule should acknowledge a process for submitting redacted and un-redacted versions of reports and information.
- TEC proposes additional changes to 16 TAC § 25.55 to more closely adhere to the language of PURA §§ 35.0021 and 38.075, such as clearly limiting requirements to transmission-voltage assets and not requiring a third-party engineer assessment of transmission assets.

II. Description of Attachment A Redlines

TEC further explains below the basis for its proposed changes to the PFP, as reflected in redline in Attachment A. The changes are listed by relevant provision of the PFP, largely in the order that they appear in the PFP.

§ 25.55(b)(1) – Cold weather critical component: TEC proposes that the definition of cold weather critical components be refined to include components that will cause a generation unit trip and which may reasonably be protected against freezing. This change will provide certainty to unit owners and transmission providers regarding applicable components and prioritizes components

that can be protected against freezing by applying protective measures. If covered components are not limited to those that can reasonably be protected, entities will lack certainty regarding regulatory compliance. The universe of eligible components will be undefined and may include components that cannot be reasonably protected. Further defining components in this manner places appropriate boundaries around covered components and targets facilities where weatherization activities would make material improvements to unit resilience.

§ 25.55(b)(2) & (b)(4) – Energy storage resource & Generation resource: Defining an energy storage resource and generation resource as a facility "that sells" energy or ancillary services better tracks the language of PURA § 35.0021(a).

§ 25.55(b)(5) – Inspection: TEC recommends ERCOT adopt rules regarding the details of ERCOT-conducted inspections for Phase I, and that the Commission consider and adopt specific inspection protocols into the rule for Phase II. This recommendation would create transparency and consistency in the inspection framework and would allow market participants to clearly understand and provide feedback on the number, extent, and content of the inspections because these parameters would be formalized in rules.

§ 25.55(b)(7) – Weather emergency preparedness measures: TEC's change to this section incorporates the preparation standard articulated in PURA § 35.0021, which requires entities to prepare to operate. In contrast, the PFP as written would improperly implement a performance standard by which entities must undertake measures to ensure or guarantee the functionality or operation of a facility in extreme weather. TEC's change aligns the rule with the standard set by the Legislature. Additionally, TEC recommends a change to clarify that the categories of measures in this definition are not exclusive.

§ 25.55(c)(1)(A) & (B) – Phase one weather emergency preparedness reliability standards for a generation entity: As noted above, the statute directs a preparation standard. Entities should therefore be required to complete measures to prepare to operate during extreme cold weather, and the rule should describe a non-exhaustive list of measures to recognize the varied circumstances and specifications of generation resources. A prescriptive list of specific measures may be inappropriate for certain resources or may inadvertently exclude needed activities best determined

by operational personnel. TEC therefore proposes to merge subparagraphs (c)(1)(A) and (C)(1)(B) to create a list of possible measures.

Further, the new weatherization measures must be reasonable and appropriate for the resource. Without such a standard, the rule would potentially create limitless compliance requirements and implementation challenges for entities. There may exist potential preparation measures that are unreasonable or inappropriate. The rule should specify the expectation that entities are not required to take unreasonable actions.

§ 25.55(c)(1)(C) (renumbered part (c)(1)(B) in TEC's redline): TEC again recommends that the rule provide certainty by requiring that entities take reasonable and appropriate actions. Moreover, this provision targets components that failed during a specified period (November 30, 2020 through March 1, 2021). TEC believes the intent of this provision is to address failures that occurred due to winter weather and suggests this clarification.

§ 25.55(c)(1)(E): TEC agrees with the implementation timeline in the PFP, but notes that certain measures would not reasonably be taken by a date certain (December 1, 2021). Preparation actions to support resilient operation may be taken just prior to an event as needed or on a seasonal basis. For example, some winterization measures would reduce output if taken in the summer months. TEC therefore adds a new requirement regarding identification of preparations that may occur prior to a known weather event or seasonally.

§ 25.55(c)(2)(A) & (B): Because the activities identified in paragraph (1) should not be exhaustive, may not be completed (if seasonal or temporary), or may be subject to a good cause exception, it is more appropriate to use the words "pursuant to" when describing activities to be reported.

§ 25.55(d)(2) – ERCOT inspection report: TEC recommends the Commission incorporate a cost consideration into ERCOT's determination of the cure period for deficiencies identified in the ERCOT inspection. This addition would supplement similar determining factors already contemplated in the PFP, including the reasonableness and complexity of the measure. While these concepts may already incorporate cost considerations, consideration of cost should be explicit. TEC also recommends that the rule expressly reference the ability of a generation entity to appeal

ERCOT's determination of the period a generating entity is given to cure identified deficiencies, to ensure the generation entity and Commission have an opportunity to address the reasonableness of the cure period.

§ 25.55(e) – Weather-related failures by a generation entity to provide service: Regarding instances where repeated failures occur and entities must contract with a third party, the Commission should adhere to PURA § 35.0021 by targeting repeated or major weather-related forced outages, and not expand the circumstances to include maintenance-related outages. Units may take repeated maintenance outages for good reason, and these outages are not a signal that further regulatory intervention is required. For example, resources may take multiple maintenance outages to implement needed weatherization measures. TEC recommends the Commission follow the statute and not expand the circumstances in which generators must contract with third parties.

Further, TEC urges deletion of the prohibition against hiring a third-party professional engineer (PE) who has participated in previous assessments of the resource. The statute only prohibits the use of employees of the entity. Expanding this restriction as proposed in the PFP would preclude the use of PEs who have more knowledge about a particular resource, and would limit the available supply of PEs qualified to assess a resource.

Finally, TEC recommends changes to the final sentence of this subsection to better track the language of PURA § 35.0021(e), such that ERCOT's referral is for a material deficiency based on the PE's assessment.

§ 25.55(f)(1)(A)-(F) – Weather emergency preparedness reliability standards for a transmission service provider: Similar to its proposed changes to § 25.55(c)(1)(A) and (B) above, TEC proposes changes to § 25.55(f)(1)(A)-(C) to reflect the preparation standard articulated in PURA § 38.075 and make explicit that actions must be reasonable and appropriate, in line with good utility practice. TEC's changes additionally limit the components to transmission-voltage facilities as described in PURA § 38.075(a).

TEC also recommends a clarification in 16 TAC § 25.55(f)(1)(C) that relevant component failures are those caused by winter weather conditions during the identified time period of November 30, 2020 through March 1, 2021, consistent with the statute's focus on weather emergencies. *See*

PURA § 38.075(a). Components may have experienced other, non-weather-related issues during that time period, which would be outside the Legislature's goal of addressing issues that occurred due to extreme weather.

§ 25.55(f)(1)(G): TEC understands that this provision, among others in the PFP, is taken from the 2011 Federal Energy Regulatory Commission and North American Electric Reliability Corporation Cold Weather Event Report.[3] However, this subparagraph should be deleted because of ambiguity and compliance confusion. An entity cannot confirm that ambient temperature requirements are met during operation unless those conditions actually occur during operation, whether before December 1, 2021 or otherwise. Further, use of the word "equipment" is overly broad, potentially encompassing every piece of equipment that exists. This lack of clarity will hinder entities' compliance efforts, as they will not know which equipment to evaluate or whether it can be timely evaluated in operating conditions. Finally, the requirements in subparagraph (G) of the PFP appear redundant with subparagraph (H), in that both require determination of temperatures and operating limitations. TEC therefore recommends that subparagraph (G) be deleted, as subparagraph (H) accomplishes the same objective with respect to cold weather critical components.

§ 25.55(f)(2): TEC proposes changes to this paragraph to clarify that a transmission service provider shall report activities taken "pursuant to" paragraph (1). The activities identified in paragraph (1) should not be exhaustive, may not be completed (if seasonal or temporary), or may be subject to a good cause exception, thus the words "pursuant to" are more appropriate.

§ 25.55(g) – Inspections for a transmission service provider: TEC recommends that the Commission incorporate cost and timing considerations into ERCOT's determination of the cure period for deficiencies identified in the ERCOT inspection. As noted above in the explanation of changes to § 25.55(d)(2) applicable to generation entities, TEC believes consideration of cost should be made explicit for transmission facilities. The cure period should also reflect the requisite time period for the issue to be addressed.

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[3] Federal Energy Regulatory Commission and the North American Electric Reliability Corporation, *Report on Outages and Curtailments During the Southwest Cold Weather Event of February 1-5, 2011* at 209 (Aug. 2011).

TEC also recommends that the Commission limit the ERCOT inspections under this subsection to transmission-voltage components of substations owned and operated by a transmission service provider. Refining the scope of inspections in this manner would allow the rule to more closely align with PURA § 38.075(a), which limits applicability to entities providing transmission service. Further, transmission providers should only be responsible for facilities that they own and control. In addition, TEC recommends that the rule expressly reference the ability of a transmission service provider to appeal ERCOT's determination of the period a transmission service provider is given to cure identified deficiencies, to ensure the transmission service provider and Commission have an opportunity to address the reasonableness of the cure period.

§ 25.55(h) – Weather-related failures by a transmission service provider to provide service: PURA § 35.0021 applies to generation providers and requires such entities to contract with a third-party PE if repeated or major weather-related failures occur. However, PURA § 38.075, applicable to transmission providers, does not contain a similar requirement. This subsection (h) should be deleted because the statute does not apply this process to transmission providers.

New § 25.55(h) – Confidentiality: In Attachment A, TEC offers a new subsection (h) pertaining to confidentiality. It is likely that information required to be filed under this rule will be confidential or sensitive critical energy infrastructure information. The Commission should provide guidance regarding how to handle such information to protect the confidential nature of the information in public filings, and acknowledge that confidential filing rules will apply.

III. Conclusion

TEC thanks the Commission and Staff for the opportunity to comment on the PFP. TEC looks forward to continued participation in this rulemaking and is available to provide any additional information that may be helpful to the Commission.

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Respectfully submitted,

Julia Harvey
Vice President
Government Relations & Regulatory Affairs
Texas Electric Cooperatives, Inc.
1122 Colorado Street, 24th Floor
Austin, TX 78701
(512) 486-6220
jharvey@texas-ec.org

Carl R. Galant
McGinnis Lochridge LLP
600 Congress Ave., Suite 2100
Austin, Texas 78701
(512) 495-6083
cgalant@mcginnislaw.com
Attorneys for Texas Electric Cooperatives

§25.55. Weather Emergency Preparedness.

(a) **Application.** This section applies to the Electric Reliability Council of Texas, Inc. (ERCOT) and to generation entities and transmission service providers in the ERCOT power region.

(b) **Definitions.** In this section, the following definitions apply unless the context indicates otherwise.

(1) **Cold weather critical component** - Any component that is susceptible to freezing, the occurrence of which will cause a generation~~is likely to lead to~~ unit trip, derate, or failure to start, and which may reasonably be protected against freezing.

(2) **Energy storage resource** - An energy storage system registered with ERCOT ~~for the purpose of providing~~that sells energy or ancillary services to the ERCOT grid and associated facilities behind the system's point of interconnection necessary for the operation of the system.

(3) **Generation entity** - An ERCOT-registered resource entity acting on behalf of an ERCOT-registered generation resource or energy storage resource.

(4) **Generation resource** - A generator ~~capable of providing~~that sells energy or ancillary services to the ERCOT grid and that is registered with ERCOT as a generation resource, as well as associated facilities behind the generator's point of interconnection necessary for the operation of the generator.

(5) **Inspection** - The activities that ERCOT engages in to determine whether a generation entity is in compliance with subsection (c) of this section or whether a transmission

service provider is in compliance with subsection (f) of this section. An inspection may include site visits; assessments of procedures; interviews; and reviews of information provided by a generation entity or transmission service provider in response to a request by ERCOT, including reviews of evaluations conducted by the generation entity or transmission service provider or its contractor. ERCOT must adopt rules~~will determine~~, in consultation with the commission, specifying the number, extent, and content of inspections and may conduct inspections using both employees and contractors.

(6) **Resource** - A generation resource or energy storage resource.

(7) **Weather emergency preparation measures** - Measures that a generation entity or transmission service provider takes to ~~support the function of a facility~~prepare to provide adequate service in extreme weather conditions, ~~including~~ which may include weatherization, fuel security, staffing plans, operational readiness, and structural preparations.

(c) **Phase one weather emergency preparedness reliability standards for a generation entity.**

(1) By December 1, 2021, a generation entity must complete the following winter weather emergency preparations for each resource under its control:

(A) Reasonable and appropriate weather emergency preparation measures to prepare cold weather critical components to operate during ~~All preparations necessary to ensure the sustained operation of all cold weather critical components during~~ winter weather conditions, which may include but are not limited to: ~~, such as chemicals, auxiliary fuels, and other materials, and personnel required to operate~~

~~the resource;~~

~~(B)~~ ~~i~~Installation of adequate wind breaks for resources susceptible to outages or derates caused by wind; enclosure of sensors for cold weather critical components; inspection of thermal insulation for damage or degradation and repair of any damaged or degraded insulation; confirmation of the operability of instrument air moisture prevention systems; maintenance of freeze protection components ~~for all~~on exposed critical equipment, including on fuel delivery systems, the failure of which could cause an outage or derate, and establishment of a schedule for testing of such freeze protection components on an ongoing monthly basis; ~~and the~~ installation of monitoring systems for cold weather critical components, including circuitry providing freeze protection or preventing instrument air moisture; review of supplies of chemicals and auxiliary fuels; and identification of personnel required to operate the resource during winter weather conditions;

~~(C)~~(B) Reasonable and appropriate actions to address ~~All actions necessary to prevent a reoccurrence of~~ any cold weather critical component failure caused by winter weather conditions that occurred in the period between November 30, 2020, and March 1, 2021;

~~(D)~~(C) Provision of training on winter weather preparations to operational personnel; ~~and~~

~~(E)~~(D) Determination of minimum design temperature, minimum operating temperature, and other operating limitations of a resource based on temperature, precipitation, humidity, wind speed, and wind direction; and~~.~~

(E) Identification of temporary or seasonal winter weather preparations to be undertaken in advance of the winter weather season or a winter weather storm event, and the schedule for implementation of such preparations.

(2) By December 1, 2021, a generation entity must submit to the commission and ERCOT, on a form prescribed by ERCOT and developed in consultation with commission staff, a winter weather readiness report that:

(A) Describes all activities taken by the generation entity pursuant to ~~complete the requirements of~~ paragraph (1) of this subsection; and

(B) Includes~~,~~ a notarized attestation sworn to by the generation entity's highest-ranking representative, official, or officer with binding authority over the generation entity, attesting to the completion of ~~all~~ activities taken pursuant to ~~described in~~ paragraph (1) of this subsection and the accuracy and veracity of the information described in subparagraph (2)(A) of this subsection.

(3) Based on the requirements of paragraph (1) of this subsection, ERCOT must develop a comprehensive checklist form that includes ~~checking~~ evaluation of systems and subsystems containing cold weather critical components and file it with the commission no later than December 10, 2021. In addition, ERCOT must use a generation entity's winter weather readiness report submitted under paragraph (2) of this subsection to adapt the checklist to the inspections of the generation entity's resources.

(4) No later than December 10, 2021, ERCOT must file with the commission a summary report of the winter weather readiness reports filed under paragraph (2) of this subsection, including a summary of compliance with the requirements of paragraph (1) and (2) of this subsection and a spreadsheet that delineates compliance with the

requirements of paragraph (1) of this subsection for all resources subject to those requirements.

(5) A generation entity that timely submits to ERCOT the winter weather readiness report required by paragraph (2) of this subsection is exempt, for the 2021 calendar year, from the requirement in Section 3.21(3) of the ERCOT Protocols that requires a generation entity to submit the Declaration of Completion of Generation Resource Winter Weatherization Preparations no earlier than November 1 and no later than December 1 of each year.

(6) Good cause exception. A generation entity may submit a request for a good cause exception with the commission to specific requirements listed in paragraph (1) of this subsection.

(A) A generation entity's request must include:

(i) A detailed explanation and supporting documentation of the generation entity's inability to comply with a specific requirement of paragraph (1) of this subsection;

(ii) A detailed description and supporting documentation of the generation entity's efforts that have been made to comply with paragraph (1) of this subsection;

(iii) A plan, including a schedule and supporting documentation, to comply with the specific requirement of paragraph (1) of this subsection for which the good cause exception is being requested from the commission, including a proposed deadline or deadlines for filing updates with the commission on the status of the generation entity's compliance with the specific

requirement of paragraph (1) of this subsection and expected compliance date;

(iv) Evidence that notice of the request has been provided to ERCOT; and

(v) A notarized attestation sworn to by the generation entity's highest-ranking representative, official, or officer with binding authority over the generation entity attesting to the accuracy and veracity of the information in the request.

(B) ERCOT is a required party to a ~~in the~~ proceeding in which a generation entity requests a good cause exception from the commission. ERCOT must make a recommendation to the commission on the generation entity's request by the deadline set forth by the presiding officer in the proceeding.

(d) **Inspections for a generation entity.**

(1) ERCOT inspections. ERCOT must conduct inspections of resources for the 2021 - 2022 winter season and must prioritize its inspection schedule based on risk level. ERCOT may prioritize inspections based on factors such as whether a generation resource is critical for electric grid reliability; has experienced a forced outage, forced derate, or failure to start related to extreme weather conditions; or has other vulnerabilities related to extreme weather conditions.

(2) ERCOT inspection report. ERCOT must provide a report of ~~on~~ its inspection of a resource to the generation entity. The inspection report must state ~~address~~ whether the resource has complied with the requirements in subsection (c) that ERCOT reviewed for the resource and, if the resource has not complied, ERCOT must provide the generation entity a reasonable period to cure the identified deficiencies. The cure period determined

by ERCOT, and appealable to the commission, must consider ~~what~~the weather emergency preparation measures the generation entity ~~may be~~would reasonably be expected to have taken before ERCOT's inspection, the reliability risk of the resource's noncompliance, and the complexity and cost of the measures needed to cure the deficiency.

(e) **Weather-related failures by a generation entity to provide service.** For a generation entity with a resource that experiences repeated or major weather-related forced interruptions of service, ~~including forced outages, derates, or maintenance-related outages,~~ the generation entity must contract with a qualified professional engineer who is not an employee of the generation entity or its affiliate ~~and who has not participated in previous assessments for the resource~~ to assess its weather emergency preparation measures, plans, procedures, and operations for that resource. The generation entity must submit the qualified professional engineer's assessment to the commission and ERCOT. ERCOT must adopt rules that specify the circumstances for which this requirement applies and specify the scope and contents of the assessment. A generation entity to which this subsection applies may be subject to additional inspections by ERCOT. ERCOT must refer to the commission for enforcement any generation entity that fails to comply with this subsection or ~~violates this rule and~~ fails to cure ~~the identified deficiencies~~ within a reasonable period of time a material deficiency identified by ERCOT based on the qualified professional engineer's assessment.

(f) **Weather emergency preparedness reliability standards for a transmission service provider.**

(1) By December 1, 2021, a transmission service provider must complete the following winter weather preparations for its systems and facilities:

(A) Reasonable and appropriate weather emergency preparation measures to prepare to operate ~~All preparations necessary to ensure the sustained operation of all~~ cold weather critical components during winter weather conditions~~, including ensuring availability of supplies, such as chemicals, auxiliary fuels, and other materials, and personnel required to operate the transmission system and facilities~~;

(B) Confirmation that ~~of the ability of~~ all systems and subsystems containing transmission-voltage cold weather critical components required to operate ~~each of~~ the transmission service provider's ~~substations~~transmission-voltage components of substations are able to ~~ensure~~ operat~~cion of each substation~~ within the design and operating limitations determined pursuant to~~addressed in~~ subparagraph (l)(G~~H~~) of this paragraph;

(C) Reasonable and appropriate ~~All~~ actions ~~necessary~~ to address ~~prevent a reoccurrence of~~ any cold weather critical component failure caused by winter weather conditions that occurred in the period between November 30, 2020 and March 1, 2021;

(D) Provision of training on winter weather preparations to operational personnel;

(E) Confirmation that the sulfur hexafluoride gas in transmission-voltage breakers and metering and other electrical equipment is at the correct pressure and temperature to operate safely during extreme cold weather, and performance of annual maintenance that tests any sulfur hexafluoride breaker heaters and~~by~~ supporting circuitry to assure that they are functional;

(F) Confirmation of the operability of transmission-voltage power transformers in

extreme cold temperatures by:

(i) Checking any heaters in the control cabinets;

(ii) Verifying that main tank oil levels are appropriate for actual oil temperature;

(iii) Checking bushing oil levels; and

(iv) Checking the nitrogen pressure if necessary; and.

~~(G) Determination of the ambient temperature to which the transmission service provider's equipment, such as fire protection systems, are protected, including accounting for the accelerated cooling effect of wind, and confirmation that temperature requirements are met during operations; and~~

~~(H)~~(G) Determination of minimum design temperatures, minimum operating temperatures, and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction for substations containing transmission-voltage cold weather critical components.

(2) By December 1, 2021, a transmission service provider must submit to the commission and ERCOT, on a form prescribed by ERCOT and developed in consultation with commission staff, a winter-weather readiness report that:

(A) Describes the ~~all~~ activities taken by a transmission service provider pursuant to ~~complete the requirements of~~ paragraph (1) of this subsection; and

(B) Includes a notarized attestation sworn to by the transmission service provider's highest-ranking representative, official, or officer with binding authority over the transmission service provider, attesting to the completion of ~~all~~ activities taken pursuant to ~~described in~~ paragraph (1) of this subsection and the accuracy and veracity of the information described in subparagraph (2)(A) of this subsection.

(3) No later than December 10, 2021, ERCOT must file with the commission a summary report of the winter weather readiness reports filed under paragraph (2) of this subsection, including a summary of compliance with the requirements of paragraph (1) and (2) of this subsection and a spreadsheet that delineates compliance with the requirements of paragraph (1) of this subsection for all facilities subject to the requirements.

(4) Good cause exception. A transmission service provider may submit a request for a good cause exception with the commission to specific requirements listed in paragraph (1) of this subsection.

(A) The request must include:

(i) A detailed explanation and supporting documentation demonstrating ~~of~~ the inability of the transmission service provider to comply with a specific requirement of paragraph (1) of this subsection;

(ii) A detailed description and supporting documentation of the efforts that have been made to comply with paragraph (1) of this subsection;

(iii) A plan, including a schedule and supporting documentation, to comply with the specific requirement of paragraph (1) of this subsection for which the good cause exception is being requested from the commission, including a proposed deadline or deadlines to file updates with the commission on the status of the transmission service provider's compliance and expected compliance date;

(iv) Evidence that notice of the request has been provided to ERCOT; and

(v) A notarized attestation sworn to by the transmission service provider's highest-ranking representative, official, or officer with binding authority over the

transmission service provider attesting to the accuracy and veracity of the information in the request.

(B) ERCOT is a required party to the proceeding in which a transmission service provider requests a good cause exception from the commission. ERCOT must make a recommendation to the commission on the request by the deadline set forth by the presiding officer in the proceeding.

(g) **Inspections for a transmission service provider.**

(1) ERCOT inspections. ERCOT must conduct inspections of transmission-voltage components of substations owned and operated by a transmission service provider ~~systems and facilities~~ for the 2021 - 2022 winter season and must prioritize its inspection schedule based on risk level. ERCOT may prioritize inspections based on factors such as whether a transmission system or facility is critical for electric grid reliability; has experienced a forced outage or other failure related to extreme weather conditions; or has other vulnerabilities related to extreme weather conditions.

(2) ERCOT inspection report. ERCOT must provide a report on its inspection of a transmission system and facilities to the transmission service provider. The inspection report must address whether the system and facilities have complied with the requirements in subsection (f) of this section that ERCOT reviewed for the transmission service provider, and, if the transmission service provider has not complied, provide the transmission service provider a reasonable period to cure the identified deficiencies. The cure period determined by ERCOT, and appealable to the commission, must consider the ~~what~~ weather emergency preparation measures the transmission service

provider ~~may be~~would reasonably be expected to have taken before ERCOT's inspection, the reliability risk of the transmission service provider's noncompliance, and the complexity and cost of the measures needed to cure the identified deficiencies.

~~(h) **Weather-related failures by a transmission service provider to provide service.** For a transmission service provider with a transmission system or facility that experiences repeated or major weather-related forced interruptions of service, including forced outages, derates, or maintenance-related outages, the transmission service provider must contract with a qualified professional engineer who is not an employee of the transmission service provider or its affiliate and who has not participated in previous assessments for this system or facility to assess its weather emergency preparation measures, plans, procedures, and operations and submit the assessment to the commission and ERCOT. ERCOT must adopt rules that specify the circumstances for which this requirement applies and specify the scope and contents of the assessment. A transmission service provider to which this subsection applies may be subject to additional inspections by ERCOT. ERCOT must refer to the commission for enforcement any transmission service provider that violates this rule and fails to cure the identified system or facility deficiencies within a reasonable period of time.~~

(h) **Confidentiality.** The portions of any report or information required to be submitted under this section that are considered confidential under Chapter 552, Government Code, or other state or federal law, shall be designated as confidential and provided to the commission in a redacted form for public inspection with the confidential portions removed. Unredacted confidential portions of any report or information required to be submitted to the

commission or ERCOT under this section shall be filed pursuant to the confidential filing rules of the commission or ERCOT, as appropriate.